

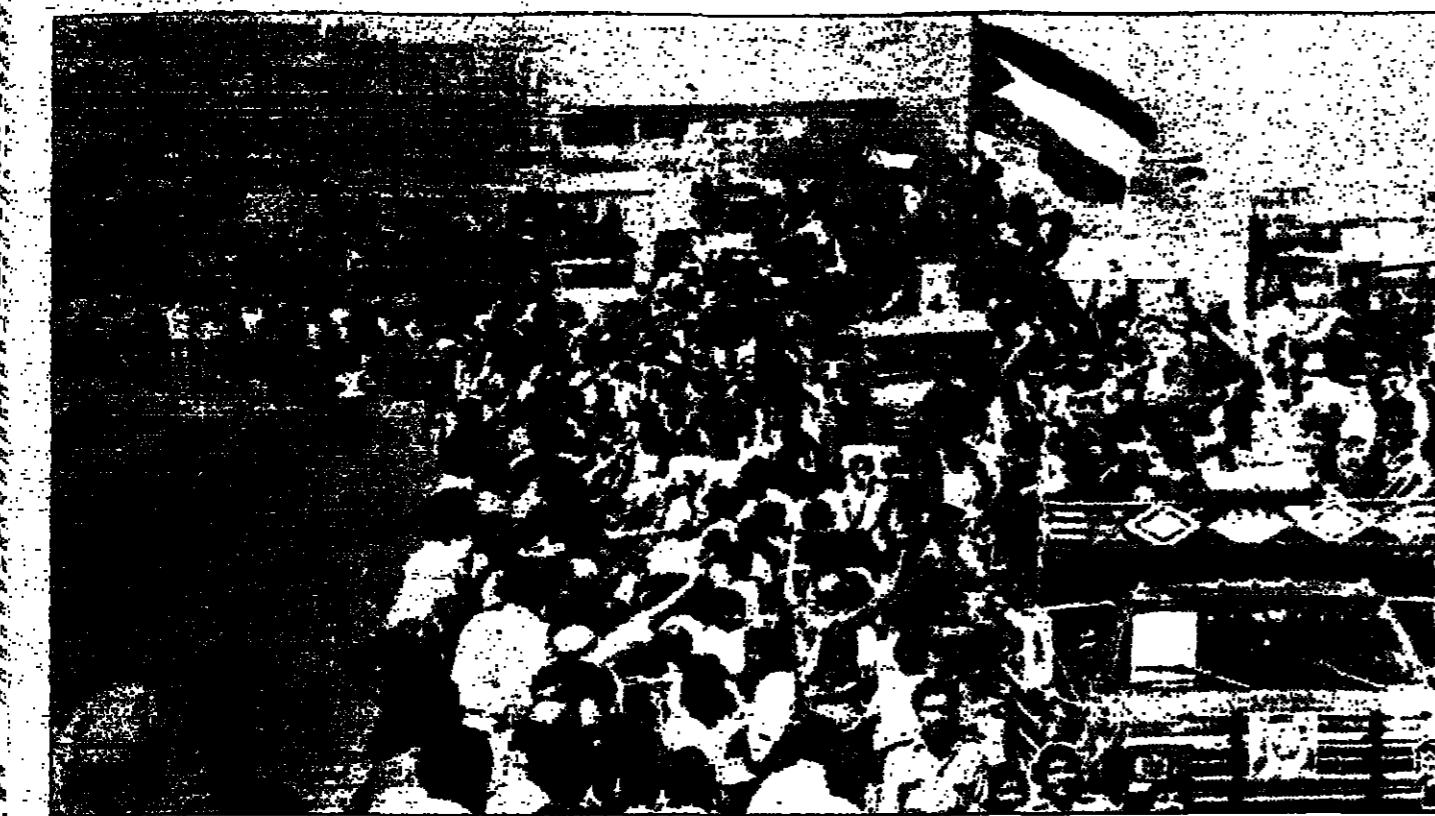
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The first Palestinian guerrillas arrived Friday at the Syrian border post of Jdeideh, 30 kilometers from Damascus.

U.S. Willing to Lift Pipeline Sanctions For New Curbs on Russia, Officials Say

By Leslie H. Gelb

New York Times Service

WASHINGTON — The Reagan administration is prepared to reimpose sanctions against European companies defying U.S. law by building the Soviet natural gas pipeline to Western Europe if other means can be found to maintain economic pressure on Moscow, senior officials said Friday.

The officials said they hoped the Western Europeans will be able to develop a combination of measures, including limiting export credits to the Soviet Union, tightening controls on technology transfers, withholding exports of other kinds of oil and gas equipment and canceling contracts for the second strand of the pipeline.

The purpose of Mr. Reagan's sanctions against supplying the pipeline is to induce Moscow to lift or reduce制裁 on electric

plants in Poland, and the officials said that the administration hopes to achieve the goal but avoid further confrontation between the United States and its European allies, which are supplying most of the equipment.

As of now, according to the officials, the administration has not made a formal proposal to the Europeans, and there has been no indication that the Europeans are prepared to suggest alternatives of their own. "We are looking for creative diplomacy," said one White House aide, but neither he nor others expressed optimism about an early solution.

Administration officials said, in effect, that given President Reagan's determination to impose some sanctions, the idea of looking

for alternative sanctions to those announced Thursday appeared to be the only serious route to avoiding an escalation of the confrontation.

The U.S.-Europe conflict reached a high Thursday when President Reagan issued a technology denial order on Dresser France, a French subsidiary of Dresser Industries of Dallas, and Creusot-Loire, a company owned by the French government and one of the prime contractors for the pipeline. The companies, under order from the French government, had defied a U.S. embargo against shipping pipeline equipment.

The Commerce Department placed these companies on a "temporary denial" list, which bars them from buying any goods and services from the U.S. but does not prohibit exports by them to the United States.

Attorneys for Dresser France appealed the denial order to the U.S. Commerce Department Friday on the grounds that it is unconstitutional and illegal, The Associated Press reported. A commissioner in the Commerce Department's international trade administration will hold a hearing on the appeal, but a date had yet to be set, department officials said.

Other European companies using American technology to produce turbines and compressors to pump gas through the pipeline are also expected to defy the president's ban on these exports. John Brown Engineering Co. of Britain is said to be readying turbines produced under license from the General Electric Co. for shipment to the Soviet Union next week.

From its inception, the Reagan administration sought to block construction of the pipeline on the

grounds that it would increase European dependency on Moscow for energy and provide the Russians with much needed hard currency for purchases in the West.

But Mr. Reagan did not take legal action until December when martial law was imposed throughout Poland and leaders of the Solidarity labor movement were imprisoned. His first move was to ban the sale of oil and gas equipment by U.S.-based firms. In June, citing no progress toward alleviating conditions in Poland, he extended the ban to include U.S. overseas and companies manufacturing the equipment under U.S. license.

The officials said that the Europeans have three options: retaliating against U.S. companies, fighting the battle through U.S. courts, and looking for alternative sanctions against Moscow.

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Arabs Aim New Strategy At Israel and Its Allies

By Bradley Graham

Washington Post Service

TUNIS — Arab leaders are expected to outline a "global confrontation strategy" against Israel and its supporters — including the United States — if Washington's Mideast policy does not change — at a summit meeting next month, according to the Arab League's secretary-general Chadi Klibi.

Mr. Klibi indicated in an interview at the league's headquarters here, however, that the heads of state would probably shy away from immediate economic sanctions against Israel's allies.

"The first thing to do in the face of things in Lebanon is to work out a global strategy based on confrontation that will deal with the aggression of Israel," Mr. Klibi said.

You can expect a final declaration measured in tone. There will be no invective, no slogans. But I hope we will succeed in setting up a global confrontation strategy in which we shall outline all our fighting means."

Speaking critically about U.S. policy, Mr. Klibi, who is Tunisian, warned that the Reagan administration is risking a rupture with the Arab world if it does not control Israel and revise its Mideast policy to recognize the right of a Palestinian state to exist.

The last Arab summit in November was suspended following a deadlock over an eight-point plan put forward by Saudi Arabia, which, among other things, called for the establishment of an independent Palestinian state in the Israeli-occupied West Bank and Gaza Strip and the right of all nations in the Middle East to live in peace.

Mr. Klibi said the proposal's aim is to provide a formula for rec-

ognizing Israel while reminding the United States in particular that the right of a Palestinian state to also exist already has been recognized by the international community.

Islamic Condemnations

The Islamic Conference Organization has ended its 13th ministerial session with condemnations of the United States and the Soviet Union, the Associated Press reported Friday from Niamey, Niger.

A final communiqué issued

plan is resumed, Mr. Klibi said, "depends on what backing the United States appears ready to give to the proposal."

An alternative plan, which President Habib Bourguiba of Tunisia asked this week be placed on the summit agenda, specifically calls for the recognition of Israel in the context of the 1947 United Nations resolution that called for the partition of Palestine into Israeli and Palestinian states.

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Thursday night said U.S. policies in the Middle East in support of Israel are against the rights of the Palestinian people, but rejected the U.S. demand for an oil embargo. The group also reiterated its demand for the withdrawal of all foreign troops from Afghanistan.

Only Libya and Chad failed to send representatives to the four-day session that attracted 40 of the organization's member nations. The memberships of Egypt and Afghanistan previously were suspended.

The third phase, which he described as "the expulsion of the PLO terrorists" is now in progress. The second would involve the withdrawal of Syrian troops.

The third, he said, "will come when we hope to find a peace agreement with Lebanon which will bring a complete change in the situation, which will give the need, or necessary, security measures for Israel on its northern border."

Later Israeli reporters quoted Mr. Sharon as saying, "There were and are differences with the United States" on the Palestinian autonomy issues, but that the talks would now be pursued.

As Mr. Sharon met with Mr. Weinberger and Mr. Shultz, the PLO's newly appointed representative in Washington, Hasan Rahaman, used his introductory news conference to denounce the Israeli defense minister and promise more PLO attacks "as long as there is an

illegal military occupation of Palestinian land."

U.S. Jews Meet Shultz

Earlier, Joanne Ormang of The Washington Post filed the following account from Washington:

American Jewish leaders have asked Mr. Shultz to avoid any steps in the Middle East that might "rehabilitate" the Palestine Liberation Organization.

Julius Berman, president of the Conference of Presidents of Major American Jewish Organizations, said he and 13 other Jewish notables were asked Thursday by Mr. Shultz to give their off-the-record views as part of Mr. Shultz's consultations on the future of the Mideast.

Mr. Berman said the group had expressed "the general hope that nothing be done by the United States that could possibly rehabilitate the PLO," which has been "virtually destroyed" by its expulsion from Lebanon "and can only be rehabilitated by a hand stretched out by the United States."

Israelis Back Begin, War

Opposition polls published Friday in Tel Aviv showed that an overwhelming majority of Israelis support the invasion of Lebanon and that Prime Minister Menachem Begin's popularity has soared to its highest level ever, United Press International reported.

One of the two polls conducted for the Jerusalem Post showed that Mr. Begin's Likud bloc would win 66 seats in the 120-member Knesset (parliament) if elections were held now. Likud won 48 seats in elections in June, 1981.

Poll Finds Rising Mutual Criticism Among French and U.S. Opinion Makers

By Joseph Fitchett
International Herald Tribune

PARIS — French and American attitudes toward each other's country are becoming significantly more negative, and this trend is likely to worsen political relations between the two governments, according to analysts interpreting a recent major poll.

The poll was conducted for and funded by the New York-based French American Foundation. It confirmed many apparent trends: growing U.S. distance from Europe, European perceptions of rising economic conflict with the United States, European skepticism of U.S. foreign policy characterized primarily as "inconsistent."

The polling, for which 1,000 adults were interviewed in each country, was taken in mid-June, at the onset of the present strains between the two countries. The conclusions drawn from the poll included comparisons with a similar survey carried out by the foundation in 1976.

Analyzing the poll's political implications,

specialists noted the French people increasingly believe that U.S. foreign policy is motivated by a desire to protect national economic interests. Because of this view of U.S. indifference to European unemployment, the specialists said, anti-Americanism could easily spring from France's current trade disputes with the Reagan administration.

Particularly alarming, the analysts said, was another trend emerging in the poll results: College graduates in both the United States and France are especially critical of the other country.

This relatively well-informed and opinion-forming elite, which in each country traditionally has been the constituency for better understanding between the two countries, is precisely the group where understanding is losing ground, according to Nicholas Wahl, a political scientist who is the director of the Institute for French Studies at New York University.

According to Mr. Wahl, the election of a Socialist government in France, while apparently not affecting U.S. public opinion of France in general, has alarmed many better-educated and wealthier Americans. Similarly, the better-educated and wealthier French are inclined to believe that U.S. prestige has declined and to doubt the wisdom of U.S. foreign policy.

A prominent French pollster, Jérôme Jaffré, the chief political analyst for the firm SFRÉS, said: "The dramatic truth is that a large part of the French elite have negative attitudes toward the United States, and elites in the United States have an inaccurate understanding of France."

The 1982 polls showed a paradox at the core of U.S.-French relations. The two nations have moved closer together in recognizing the need for Western cooperation to offset growing Soviet military power. At the same time, economic issues have emerged as a major divisive problem.

For example, more than half of the French people interviewed said they believed in the importance of U.S.-French military cooperation in a crisis — double the percentage six years ago. Mr. Jaffré said this shift was related to a dramatic drop in the prestige of the Soviet

Union among French people as documented in opinion polls in the past decade.

But when French people were asked about U.S. foreign policy, a large proportion (30 percent) said the United States was acting in its own self-interest by trying to protect and expand American business and investments in the world, and 20 percent said the United States was seeking to impose its will on the rest of the world.

Twenty-five percent indicated that a primary U.S. objective is to maintain world peace, and 25 percent said U.S. foreign policy was an attempt to contain Communism.

Receding Concerns

Another trend that bodes ill for transatlantic relations, the analysts said, is that France and other West European nations, except Britain, are retreating from most Americans' concerns.

While the poll focused on French-U.S. relations, the questions showed that France still is perceived by Americans less favorably in many respects than West Germany and, above all, Britain. France was ranked high for cultural

products, fashion and wine, but low for industrial and military achievements.

This image is partly due to French publicity in the United States for luxury products rather than industrial products, which are mainly exported not to the United States but to Third World countries, Mr. Wahl said. But, he added, most Americans are unaware that France leads European countries in defense spending and in nuclear development.

In another result, said to reflect the order of Americans' preferences among European countries, Americans ranked the Netherlands ahead of France among the countries likely to emerge in the strongest economic position in the next 10 years. In order, Americans favored West Germany (43 percent, compared with 51 percent in 1976), Britain (17 percent, compared with 13 percent in 1976), then the Netherlands.

Other results reflected a growing U.S. indifference to France. Asked whether President Reagan and President François Mitterrand are closer than President Jimmy Carter and President Valéry Giscard d'Estaing, both French

and U.S. respondents agreed that the former presidents were closer. In the United States, however, 60 percent said they had no opinion.

Of all the European countries, only Britain has risen in Americans' affections in the last decade, the poll showed.

Extrapolating from the poll data, Mr. Wahl pointed to the risk of a widening rift between the United States and France and other European allies. "To the extent that Continental Europe is seen with less affection and respect and therefore as a less reliable ally, it feeds the U.S. tendency favoring a withdrawal to a island-type theory of U.S. defense," Mr. Wahl said. "And in the tendency for the French to see U.S. policies as inconsistent and egotistical, France is becoming more open to the possibility of a European defense system instead of relying on an Atlantic system."

Both he and Mr. Jaffré noted the persistence of stereotypes in the way both Americans and French think of each other — an ignorance that they said contributes to the risk that the increasingly negative feelings will fuel political frictions.

Beirut Exit by Land Begins

PLO Leaves Heavy Arms With Leftists Despite Pact

By Loren Jenkins
Washington Post Service

cease fire going according to schedule, an official said.

The heavy weapons were distributed to Nasserite, Socialist, Shiite Moslem and Communist militias as the PLO chairman, Yasser Arafat, made the rounds of the city that has been his home for 12 years to say his final goodbye to colleagues and Moslem leaders who have been his allies.

Amid crowds of supporters in their eyes, Mr. Arafat stopped at several of his PLO offices in the heavily bombed Fakhani district, embracing comrades and office workers. He held a session with his brother, Fathi, the head of the Palestine Red Crescent, who left Beirut Thursday afternoon with 165 wounded PLO fighters on board a West German Red Cross hospital ship.

For security reasons, Mr. Arafat has kept his exact departure date and method secret. But his melancholy pilgrimage was taken as a sign that his departure was imminent.

■ Some Marines' Guns Empty

A PENTAGON spokesman, Henry E. Catto Jr., said Thursday that some of the 800 U.S. Marines monitoring the evacuation of armed Palestinian guerrillas from Beirut are carrying unloaded M-16 rifles, United Press International reported from Washington.

But the spokesman said the troops with unloaded guns have ammunition clips at their sides and can load their guns within seconds.

Mr. Catto also said that contacts between Marines and the PLO, such as one Wednesday regarding logistical details of the embarking operation, in no way constitute a formal recognition of the PLO.

■ Plan to Disarm Militias

United Press International quoted a spokesman for the militia forces led by Mr. Gemayel as saying Thursday that the president-elect will act within 60 days after his inauguration to dissolve all the private armies in Lebanon.

In addition, an official of the Lebanese Defense Ministry, Maj. Atfeh Rorbi, confirmed that plans are being made to disarm the unofficial forces that have defended rival interests since the mid-1970s.

There was no way to reconcile the different counts.

The overland convoy comprised 207 cars, trucks and jeeps, including a Soviet-made tank and a truck bearing an anti-aircraft gun. Many of the vehicles were festooned with photographs of Mr. Arafat and President Hafez al-Assad of Syria.

A Leader of Solidarity Pins Union's Future To Protests Tuesday

By Michael Dobbs
Washington Post Service

WARSAW — An underground Solidarity leader says the union's future will depend to a large extent on the outcome of mass demonstrations planned for next week in defiance of martial law.

In a statement published in a clandestine Solidarity newspaper that reached Western correspondents here Friday, Zbigniew Bujak acknowledged that the decision to organize street rallies throughout Poland carried considerable risks and could result in bloodshed. But he defended it as being preferable to uncoordinated local protests and necessary to force the government to negotiate with Solidarity.

Mr. Bujak, 28, the head of Solidarity's once-powerful Warsaw chapter, managed to escape arrest during the military takeover last December and has been in hiding ever since. He is regarded as the most influential figure in the union's five-man underground leadership that issued the call for demonstrations next Tuesday to mark the second anniversary of the Gdańsk agreement that recognized the right of workers to form free trade unions.

His statement in the latest issue of Solidarity's Warsaw weekly, *Tygodnik Mimażosze*, provides an insight into the thinking of the underground as it prepares for perhaps its most important test yet. The Communist authorities have vowed to prevent the demonstrations from taking place and the Catholic Church has advised Poles to keep off the streets.

Tough Speech

A measure of the seriousness with which the government views the threat of nationwide demonstrations came in a toughly worded speech by the Communist Party secretary responsible for organizational matters, Kazimierz Barciowski, to shipyard workers in Szczecin, one of the possible trouble spots. He said the protests were designed to pave the way for an all-out general strike which, if successful, would in turn be followed by an armed insurrection against the Communist regime.

Explaining why Solidarity's provisional leadership decided to call for demonstrations, Mr. Bujak said it had been seeking the most effective and visible form of protest. The government had been able to keep quiet the scale of token strikes held inside factories but was much more afraid of public

protests in which the demonstrators outnumbered the security forces.

The article, entitled "Defense of the Union," made clear that Solidarity is planning a different form of demonstration from previous rallies that were largely spontaneous. Mr. Bujak said much would depend on "organized groups of demonstrators" whose task it would be to prevent attempts by the security forces to disperse the crowds.

The new Solidarity tactics, according to Mr. Bujak, are based on lessons learned from rioting in the southwestern city of Wrocław June 13. On that occasion, he said, the crowds lost their sense of fear and managed to throw the elite riot police, known as ZOMO, on the defensive.

"In such an event, the ZOMO have a very difficult choice: whether or not to shoot. As the people's power, they are afraid to shoot — but it's always possible that they will," he said.

He added: "The course of the marches on the August anniversary will, to a significant extent, decide the strategy which we adopt in the forthcoming period. If it turns out that the people are not afraid and organize themselves so as to prevent any attempts to break up the demonstrations, that will mean the continuation of a radical policy of pressure on the authorities. In a relatively short time, the government will be forced to talk with the church and the union."

"If, on the other hand, the authorities succeed in dealing with the demonstrations, that would mean that we are not capable of undertaking any radical form of resistance and that we must abandon mass actions. Then all that would remain for us would be long-term resistance."

Hijackers Were Unions

West Germany authorities said that the two Poles who hijacked a LOT plane on a Budapest-Warsaw flight and landed in Munich on Wednesday were members of Solidarity who said they were fleeing repression. The Associated Press reported from Munich.

The hijackers, identified as Frantisek S., 23, and Ryzard P., 27, both metal workers, have been charged with endangering air traffic and coercion. They are to be tried in a Munich court. The minimum sentence they could receive is one to five years.

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Nova Scotia Treads Its Way Into a Gas Boom and Strained Ties With Ottawa

By Michael T. Kaufman
New York Times Service

HALIFAX, Nova Scotia — This staid old dower of a city, which once grew rich as the port of cod and Calumet, raising her skirts and prancing these days as large offshore gas deposits promise to reverse the recent decades of poor-cousin status within the Canadian union.

The prospect of restored fortunes is also placing new strains on the historically cool relations between the province and Ottawa, the seat of a nominally federated country.

Last week, the Mobil Corp. formally applied for government permission to begin building a 183-mile (295-kilometer) pipeline to carry gas from its large find off the so-called Scotian shelf. That is the first of what are believed to be many rich fields off Sable Island, a thin shoal off which for centuries ships have capsized and sunk.

"Even before any gas has been sold," Mr. Buchanan went on, "we already have more

"Last week we had 26 of the largest gas utilities in the United States up here," said Premier John M. Buchanan of Nova Scotia, who is bullish on gas, bullish on the province, bullish on foreign investment and does not care at all for the economic nationalism of the Canadian government.

Sitting in his office before a portrait of Queen Elizabeth II of England and Prince Philip, but with no photograph of Prime Minister Pierre Trudeau or any other Canadian in sight, Mr. Buchanan rattled off the figures.

"There are now three rigs out there drilling, and we will soon have two more," he said. "Each rig means between \$75,000 and \$100,000 a day into the Nova Scotian economy." Or \$60,750 to \$81,000 in U.S. currency, he said. "It's already meant 1,500 new jobs." Jobs are especially important in a province that has experienced chronic unemployment.

She said several delegates from both Aberdeen and Stavanger had described the boom-

economic activity, more energy-company offices than did either Aberdeen in Scotland or Stavanger in Norway at a comparable time." Both Aberdeen and Stavanger boomed after the discovery of North Sea oil.

The experiences of those European cities were mentioned many times recently as 200 engineers, social scientists, oil men and politicians met here for the second International Conference on Oil and the Environment.

Social Impact

Ann G. Wilkie, head of the planning department of Nova Scotia Technical University, who helped organize the meeting, said the emphasis differed from that at the first conference attended in Aberdeen. "Then the major stress was on how oil and gas finds affect the natural environment," she said. "Now there's more discussion of impact on social and economic conditions."

Asked whether such reliance on the Ameri-

can market, and similar dependence on capital

investment from the United States, posed any major difficulties, the premier replied: "I have no problems with it at all. If a dozen foreign companies wanted to come in here tomorrow, I think that's fine as long as they leave the money. The idea of economic nationalism that is coming out of Ottawa is not our idea."

Mr. Buchanan's remarks touched directly on a national issue that goes beyond party politics and has bedeviled all national leaders seeking to forge unity.

Nature and commerce have carved out links and ties to the United States, Canada's only neighbor. At the same time, Canadian nationalism depends on the forging of bonds running east and west. The railroads, the highways and the radio and television networks are reflections of accumulated policies intended to diminish the pull of the south and bind the provinces and territories to each other and to Ottawa.

The strains of these conflicting pulls have

always been strong in Nova Scotia. For centuries the major ties, commercial and genealogical, ran not to Montreal or Toronto but to Boston and London. Now, when money is riding on the issue, the tugs of national allegiance and self-interest are at times wrenching.

An example lies in the Equalization Fund, a complex formula by which the Canadian government collects revenue from the richer provinces and passes it on to the poorer ones. Nova Scotia, with its 800,000 people, now receives \$500 million a year in these payments.

With the increase in the province's fortunes, however, Nova Scotia is likely to become a net donor rather than a net recipient of the fund, and there are some writers and journalists here who believe the transition will only augment feelings of regional alienation. They cite the example of Alberta, where prosperity has brought the rise of a still minor but increasingly strident political group calling for more autonomy and even separation.

Sandinista Foes Grow, Senior U.S. Aide Says

By Don Oberdorfer
Washington Post Service

WASHINGTON — The Reagan administration believes that the level of opposition to Nicaragua's Sandinista government has become substantial and is continuing to grow, according to a senior State Department official.

The official, who met with several Washington reporters this week on condition that he not be quoted by name, called the growth of anti-Sandinista movements part of a new situation developing in Central America.

Although the official was not predicting that the Nicaraguan government will be overthrown, he said, he added that the level of opposition may not be very different from that in El Salvador, where a civil war has raged for several years.

CIA Aid Reported

So far, only a few incidents of armed conflict have been reported in Nicaragua, several of them near the Honduran-Nicaraguan border, where anti-Sandinista forces are reportedly encamped. Some forces there are reported to be receiving secret aid from the Central Intelligence Agency under a \$19-million program approved in November by President Reagan.

Assistant Secretary of State Thomas O. Enders, the senior State Department official monitoring events in Central America, charged in a speech last week that the Nicaraguan state is "the preserve of a small, Cuban-advised elite of Marxist-Leninists, disposing of growing military power and hostile to all forms of social life but those they dominate."

Mr. Enders, who addressed the Commonwealth Club in San Francisco, also said that neither the United States nor Nicaragua's neighbors challenges that it is, of course, up to Nicaragua to decide what kind of government it has.

However, the senior State Department official, speaking to reporters, said there is a belief among his neighbors that Nicaragua

guia, as presently constituted, may be incompatible with the rest of Central America. This basic question will have to be faced in the future.

The Reagan administration has often charged that the Salvadoran insurgents are being directed and aided from headquarters in Nicaragua. The Nicaraguan government has repeatedly denied the allegation.

Mr. Enders reported in his speech that the administration has offered to help the Sandinista leadership locate the Salvadoran guerrilla headquarters, which Mr. Enders said had been located recently in a suburb of Managua. "Nicaragua has yet to respond," he added.

A Nicaraguan Embassy official said that the United States proposed on July 2 to provide "experts" to assist Nicaragua in locating the Salvadoran headquarters. The official said that Nicaragua had stressed on several occasions that it is prepared to discuss all U.S. points, including allegations of assistance to the Salvadoran insurgents, in the high-level dialogue that Nicaragua is seeking.

Last spring, the State Department announced the willingness of the United States to enter into such high-level talks, but the administration cooled to the idea within a few weeks. Verbal and written messages have passed back and forth at the ambassadorial level, but no high-level discussion is in sight.

CIA Warns U.S.

United Press International reported from Mexico City that Cuba's Communist Party on Thursday warned the United States not to send combat troops to Central America.

Cuba's Prensa Latina news service, monitored in Mexico City, quoted, in a front-page editorial that "unemployment, poverty, inequality, injustice, land ownership, transnational corporations' merciless exploitation" are responsible for the



LEAKY BORDER — A man, right, slips through a fence along a Rio Grande bridge connecting El Paso, Texas, with Ciudad Juarez, Mexico. The man was identified by an Associated Press reporter as a Mexican entering the United

States illegally. Price increases and shortages of necessities in Mexico, combined with a recent steep decline in the value of the peso, have in past weeks driven up the number of undocumented Mexicans seized by the U.S. Border Patrol.

Missing Financier's Case Revived in Argentina

By Edward Schumacher
New York Times Service

BUENOS AIRES — The release from prison of relatives and employees of an Argentine financier missing since 1976 has aroused new interest in a case that has been an issue among rights advocates here and U.S. law-enforcement officials.

The financier, David Graiver, who disappeared in a plane crash in Mexico after the collapse of a bank that he was involved with in New York, and other members of his family were vilified here for years.

They were accused of financing the leftist Montoneros guerrillas who terrorized the country in the mid-1970s. The campaign against them took on anti-Jewish overtones.

Jacobo Timerman, the exiled newspaper publisher, was arrested and tortured five years ago partly for his involvement with Mr. Graiver, who backed Mr. Timerman's paper.

5 Are Freed

But last month, an Argentine judge ruled that five of the Graiver relatives and employees were innocent and had been wrongfully imprisoned for five years. The five were Mr. Graiver's parents, Juan and Eva Graiver, his sister-in-law, Lydia Brodsky de Graiver, and two employees, Lydia Gesualdi and Sylvia Fanjul.

In a decision that reflected the growing independence of Argentinian courts after six years of military rule, the judge said questions remained about two other imprisoned relatives — Mr. Graiver's

wife, Lydia, and brother, Isidoro — but he overturned their convictions by a military court. He ordered them freed until a retrial by a civilian court.

The affair takes on added intrigue because Mr. Graiver is wanted in New York City in connection with financial manipulations that led to the collapse in 1976 of the American Bank and Trust Co. At the time, it was the fourth largest bank failure in U.S. history.

The Argentine military has said that Mr. Graiver had an option to buy the bank partly with \$17 million allegedly given him by the Montoneros to invest. The Argentine authorities have said that he bought other banks in Belgium and Switzerland that also collapsed.

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Jacobo Timerman, the exiled newspaper publisher, was arrested and tortured five years ago partly for his involvement with Mr. Graiver, who backed Mr. Timerman's paper.

No identifiable remains were

found and the cockpit recorder was not recovered.

In New York, District Attorney Robert M. Morgenthau of Manhattan still has a fugitive warrant out for Mr. Graiver's arrest.

Seven months after the Mexican plane crash, the Argentine military arrested the seven Graiver relatives and employees, and accused them of complicity in a plot to help the Montoneros.

According to sources close to the family, all those arrested were tortured with electric shocks and beatings in their first weeks of captivity. One employee died of a heart attack while in police custody.

Mr. Timerman, arrested five weeks after the Graivers, became an international cause célèbre. He was put under house arrest and exiled two years later.

Mr. Graiver disappeared in August 1976, when his chartered jet crashed into the side of a mountain during its final approach to Asuncion.

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An Extremely Costly Pipeline

From THE WASHINGTON POST

Worse and worse. Now the Reagan administration has imposed sanctions against two French companies in retaliation for the shipment of the compressors for the Soviet gas pipeline. One of the companies, Dresser France, is the subsidiary of an American manufacturer. But the other, Creusot-Loire, is owned by the French government. Here the United States comes perilously close to imposing sanctions on the government itself, a genuinely reckless expedient.

The sanctions prohibit the export of all American products and technology to those two companies. It's a strange step for an administration that came to office strongly and correctly, emphasizing the importance to the American economy of strong export performance. It has worked vigorously to beat down foreign governments' political barriers to trade. Now, to serve political purposes of its own, it is actually forbidding American sales to Europe.

The administration angrily argues that everyone seems to have lost sight of its original purpose in embargosing the pipeline equipment — to try to force the Soviet Union to lift martial law in Poland. Unfortunately for the Poles, the American government's divisive and inflammatory tactics in this embargo have created a gigantic diversion from the events in Poland. As you have probably noted, things are not going well there. Solidarity has been doing some underground or-

ganizing, and the Polish military government appears to be preparing a renewed crackdown. It could hardly pick a more opportune moment than one in which the Western governments are entangled in an increasingly ugly quarrel among themselves.

As for the export sanctions, they have immensely damaging implications. They help all those protectionists abroad who are trying to keep American competition out of their countries. Whenever an American exporter moves into a sensitive market, and whenever an American bidder gets close to a valuable contract, the local producers will begin to remind their governments of this episode. Watch out for the Americans, the argument will go, they talk free markets, but the government won't hesitate to use the American companies to try to whip you into line with their foreign policy.

Ask yourself this question: What would the American reaction be if a French government tried to use economic pressure — through the French companies operating here and their American partners — to threaten the United States on a point of foreign policy? That's an easy one to answer. Why should any American, including Mr. Reagan, be startled when these American tactics meet the same vehement resentment not only in France but throughout Europe? With this embargo, Mr. Reagan is simultaneously botching his policies in trade and in Poland.

Guerrilla War on Immigration

From THE NEW YORK TIMES

Any doubt about how deeply the subject of immigration cuts across party and philosophical lines should be erased by a small example of guerrilla warfare in Washington. The immediate flap is finished, but the larger issue remains in suspense, waiting for the House to settle in September.

The flap arose out of a startling New York Times interview Tuesday with Anneliese Anderson, associate director of the Office of Management and Budget. The administration, she said, vehemently opposes part of the Simpson-Mazzoli immigration bill passed by the Senate Aug. 17.

The section in question requires development of an identification system to screen out illegal aliens looking for work in this country. Any such requirement, she said, is "typical of totalitarian societies." Government would be tempted to turn it to other purposes, like enacting draft registration and quelling riots.

There's nothing startling about such views. We, and others, believe such a system can be controlled, but more than one libertarian — or just plain libertarian — fears a tumble down the slippery slope. What was arresting about Mrs. Anderson's hostility was that it so baldly contradicted official administration views.

In May, for instance, Attorney General Smith said the Reagan administration was "open to the alternative" of a national identity card. Just 10 days ago, when the Senate passed the Simpson-Mazzoli bill, he said, "The administration applauds the historic Senate action and urges the House to act

swiftly, in the same spirit of reason and reform."

The administration on Thursday issued a welcome statement clearly dissociating itself from Mrs. Anderson's views. Its position on verification, however, remains complex, reflecting sharp differences not only within the administration but in society.

Any sensible immigration reform requires a verification system. The best way to deter illegal immigrants is to make it harder for them to get the jobs that lure them. The best way to do that, in turn, is to make it illegal for employers to hire them. Employers can do that only if they know who is illegal. Verification, however, is opposed by such divergent bodies as the U.S. Chamber of Commerce, which fears red tape for employers, and the Mexican-American Legal Defense Fund, which fears discrimination against Hispanics.

So it's hardly surprising that the Simpson-Mazzoli bill ended up bland on the subject. It does not require a verification system now but merely directs the president to install one within three years. The administration is even more timid. It denies, in advance, that anything more than present identification procedures will ever be needed.

There's no reason for the House to be more timid than the Senate. Without effective verification there can be no effective enforcement of the borders. Without effective enforcement there can be no immigration reform worthy of the name. The choice for the House is clear: legislate or pretend.

Other Editorial Opinion

Inarticulate Jocks

Erring French Crusade

Is there a more pitiable sight in professional sports than the athlete being interviewed on national television who cannot express a single coherent thought? Few athletes are that dumb, if course, but the image of the inarticulate jock is one seen all too often.

Fortunately, some schools are determined to do something about the tendency. The University of San Francisco, proud claimant to two national championships, announced in July it was dropping its men's basketball program. The reason? To save the school's reputation as an institution of higher learning.

And at the University of Miami, football players have been told that they must achieve academically as well as athletically. More than that, UM has set stringent new guidelines for its athletes.

UM has not gone to excess, mind; it doesn't expect its athletes to be Rhodes scholars. The new criteria simply place greater emphasis on character and academics. Coaches don't plan to sacrifice their sports programs, just to be more faithful to the school's first purpose: education.

— The Miami Herald.

Middle East Coexistence

Looking far ahead of the fragile truce, the world must work out the Palestine problem in a lasting and long-range manner. Any solution demands that a permanent home for the Palestinians should be found and they should be made to coexist with the Israelis.

— The Korea Herald.

AUG. 28: FROM OUR PAGES 75 AND 50 YEARS AGO

1907: Too Many Conferences

PARIS — Today's editorial in the Herald reads: A publicist "once proposed that government by journalism should be given a trial. It might not have been a success, but it might have been superior to the 'government by conference' that seems the latest panacea for human ills. The conference at Algeciras, the peace conference at The Hague, the Zionist Conference and the Socialist Conference at Stuttgart have shown that the confusion of tongues of the Tower of Babel is still the dominating factor in mundane affairs. The highwater mark has been reached by the Anarchist Conference at Amsterdam, which is gravely discussing the creation of an international organization of anarchy."

1932: Strike in London

LONDON — Two hundred thousand men and girl operatives in the Lancashire cotton centers have abandoned the looms and begun what threatens to be one of the most serious strikes to hit British industry in recent years. Peace hopes have vanished completely. The deadlock that has strangled the negotiations between the workers' representatives and the employers is likely to continue for some time. Negotiations broke down on the issue of 3,000 operatives who had been dismissed for alleged strike agitation. In the meantime, counting the losses to the industrialists and the payments of the trade unions to support the strikers, the strike will cost about \$6 million every day it lasts.

1932: Strike in London

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Soviet Union Gives Up on Reagan

By Flora Lewis

MOSCOW — The message in Moscow, delivered strong and clear, is that the Soviet Union has given up hope on getting anywhere with the Reagan administration.

American diplomats are not convinced that the Russians have really written off any prospect of useful talks with Washington before there is a new president. Reagan has been sending word to the Soviet Union privately, in one case through a Pepsi-Cola executive, Don Kendall, that he wants "businesslike" relations with them.

That is surprising. There used to be such fear of change at the top in this deeply conservative country that Stalin's death caused near panic among many, despite his bloody tyranny. A Russian told me, in fact, that people were getting impatient with the long transition to a post-Brezhnev era and

feared things had been allowed to drift too long.

The Russians are facing their uncertain future with very little sense of what they can expect from the United States. This does not make them more accommodating. It is in America's interest to keep talking and examining at every level.

Former President Richard Nixon's recent suggestion of a summit conference every year, whether or not there is a chance of agreement, would help. It certainly is predictable that both the United States and the Soviet Union will continue to live in the same world and have to get along somehow. Reagan should answer the message from Moscow himself.

The New York Times

Socialists in Italy See A Swing to Their Flag

By Joseph La Palombara

SOUTHWEST HARBOR, Maine

— Italy's new Cabinet, Giovanni Spadolini's second, is considered by the Socialist Party as a step toward a Socialist government. The party is impatient to prove that under Bettino Craxi, its secretary-general, Italy will finally get the coherent, stable leadership it so obviously lacks.

This is a highly unlikely outcome, especially if Mr. Craxi's hard-line opposition to the Communist Party and its strategy of keeping it out of the government remain unchanged.

Why would the Socialists believe they can succeed where so many prime ministers have failed? How can a Socialist Party one-third the size of the strongest nonruling Communist Party in the world think it can govern without that party's collaboration?

To begin with, the Socialists, with 9.8 percent of the vote in the 1979 national election and even greater successes in local and regional elections since then, believe they are on an electoral upswing while the Communists and the Christian Democrats are stagnating or in decline. A Craxi government may not be written in the stars, but it can scarcely be prevented if a parliamentary election were to produce additional gains.

Transformed

The party has been strikingly transformed under Mr. Craxi. Once hopelessly faction-ridden, it is now a highly disciplined organization. An older generation of quarreling leaders has been replaced by able younger ones, many of them fiercely loyal to Mr. Craxi.

He has either banished or co-opted former opponents and has changed the party's bylaws and built himself a near-impregnable position of control. Success snowballs, so the Craxi majority in the party is growing. In short, if he becomes prime minister he will really control his own party, and that in itself is no mean achievement.

A second reason for Socialist self-confidence lies in ideological transformation. Italian Socialists should not be confused with those of France and Greece. They do not threaten the status quo.

It is not merely that under Mr. Craxi the party has removed the hammer and sickle from its flag and replaced it with a red carnation; at their party congress last spring, the Socialists renounced much of what they had held dear since the party's founding in 1892.

The party defined itself as non-doctrinaire, reasonable, pragmatic, reformist. There is little in its platform that Karl Marx would recognize or endorse. Having boldly abandoned much of its own left-wing past, the party challenges the Communists to do the same if they really hope to gain wider support in Italy.

The big question of what can be predicted about Soviet policy when the impending change of leadership comes is taboo. It is considered rude to mention it, and one is expected to

Nowhere is this new posture more apparent than on the issue of nationalization. The Socialists not only oppose it, they have sought to return some state-owned industries to the private sector.

The leading architect of this policy is Gianni De Michelis, the young articulate Minister for State Holdings. He is simply bored by Socialist clichés.

The basic issue, he says, is not public ownership of the instruments of production but, rather, governmental coordination of the necessarily competitive public and private sectors.

He has said that within a year

the French Socialists "will be seeing things as we do."

This pragmatism goes hand-in-hand with a campaign aimed at creating an image of a party that is a major generator of political morality, certain institutional reforms and "governability."

Skeptics reply that the party is no monument to political rectitude and that if governability is to mean more than mere Socialist control of the government, the Socialists must clarify exactly how they intend to deal with a Communist Party that in 1979 won 30.4 percent of the vote and a Christian Democratic Party that won 38.5 percent.

Neither the Communists nor Christian Democrats will readily collaborate in the fulfillment of Mr. Craxi's ambitions. The Communists in particular will use their unmarked organizational and mobilizing abilities and trade-union support to defeat a Socialist strategy that, if successful, might leave the Communists in the political wilderness.

Christian Democrats who oppose the Socialists will resurrect the idea of finding a formula to bring the Communist Party under the governmental umbrella. Mr. Craxi himself, faced with the realization that the Communists control the means of translating public policy into reality, may have second thoughts about his intransigence.

It is highly probable that Italy is entering one of the most difficult periods in its troubled postwar political history. Its complex political process will remain ill-understood by outsiders.

Those, such as the United States, who may be tempted to press for one-party-alignment formula over another are best advised to practice self-restraint. As the Italians have told us all along, they are the best judges of how to orchestrate their own political destiny.

Joseph La Palombara, chairman of Yale University's political science department, was cultural attaché in the United States Embassy in Rome from September, 1980, to August, 1981. He wrote this article for The New York Times.

LETTERS TO THE EDITOR

Hungarian Trip

Regarding "Hungarian Nightmare" (IHT, Aug. 12): This July I too was a visitor to Hungary. In my 10 days in that country visiting Budapest, Eger, Hortobagy, Kecskemet, Balaton, and Tihany, I had no difficulties at all. I did not report to any police station or the U.S. Embassy. The only stamps in my passport are the Hungarian visa, the stamp from the railroad border guard on entering Hungary, and one when I left Hungary. The railroad border guards were courteous, serious and thorough.

NANCY ERDELYI,
Dubai.

REAGAN'S "DEFLATING THE PIPELINE ARGUMENTS" (IHT, Aug. 13): Thank God for William Safire! Our minds work exactly alike but he is so much more articulate. Let me just add that if the Europeans (especially French)

and Russians are not worried about the completion of the pipeline why do they keep complaining about the embargo?

FRANK J. DARK,
West Germany.

Chinese Newspeak

The Chinese Communists have changed their vocabulary of late. They no longer use the word, "liberation." For Hong Kong, they are talking about the eventual "reintegration;" for Taiwan, it is "peaceful reunification." Call it whatever you like: double-talk or newspeak.

Communism, as a form of government or a kind of society, can only be imposed by force. No country has ever become Communist (or Socialist) through voting at the polls. Communism is brought about by revolution, which is the overthrow of one class by another class through violent means. Then what is all this nonsense

about the "peaceful reunification" of Taiwan with the mainland? How naive can one be?

It was not enough to have abandoned some 30 million Vietnamese to Communist oppression; must the U.S. have a hand in the eventual enslavement of the 18 million freedom-loving people living in Taiwan? It is tragic and terrifying to contemplate that the next generation of "boat people" will be those Chinese who will not accept to be dominated by a repressive Communist regime.

JEAN PASQUALINI,
Paris.

Letters intended for publication should be addressed to the editor and contain the writer's signature, name and address. Brief letters receive priority, and letters may be abridged. We cannot acknowledge all letters, but we value the views of the readers who submit them.

It is in those negotiations that eve-

Israeli Objectives: Pullout From Beirut, Peace With Neighbors

In this article, Israel's foreign minister describes the Middle East future his government would like to see in the aftermath of the Lebanon conflict and spells out its position on how the Camp David peace process can be restored. He addresses issues that were discussed in a recent article in The Washington Post by President Hosni Mubarak of Egypt, who would be Israel's principal negotiating partner in new negotiations. The Mubarak article appeared Wednesday in The Herald Tribune.

By Yitzhak Shamir

peace, the sacrifice and risk would prove to be justified.

ARTS / LEISURE

Stanley William Hayter: The Master at 80By Nancy Klinecny
International Herald Tribune

PARIS — Stanley William Hayter, probably the most influential engraver alive, is credited with transforming a craft into an art, inventing some of the key techniques for that transformation and introducing them to the likes of Picasso, Dali, Chagall and a couple of thousand or so others over the past half-century.

The 80-year-old Englishman is the master. His associates — Hayter refuses to call them students — come from all over the world to work in his stark cinder-block workshop in southern Paris.

"All we expect you to do," he said with a smile, "is something I've never seen before. And if, every now and then, you do, it's worthwhile."

For Hayter, art is experimental, not commercial. He shut down his studio's immensely successful sister studio in New York because his colleagues there had, he felt, become more interested in making money than art.

"We avoid publicity at all costs," he said at his apartment-studio in the heart of Montparnasse; not far from the atelier. "You won't find this place in any telephone directory. The people we want are going to make a sufficient effort to come and find us."

"Us" is Atelier 17, a workshop devoted since 1927 to experimentation in the techniques of gravure. Art experts consider it the seat of the revolution that brought printmaking into its own in the 20th century.

Hayter is also a painter, but his popular reputation rests on the atelier and the big names that have passed through it since it opened. A very limited roster of those who have worked at the Paris atelier or its New York site in the 1940s included Calder, Chagall, Dali, Ernst, Giacometti, Kandinsky, Lipchitz, Masson, Miró, Picasso, Pollock, Rothko and Tanguy.

Acids, Ancient Presses
The atelier is still packed with students of all ages and nationalities. Beginners work alongside artists of stature in rarefied worlds of copper plates, ancient presses, long wooden tables, acids and the sharply pointed engraving tools called burins.



Nancy Klinecny

The gray-haired, slightly built Hayter brims with vitality as he strides through the workshop explaining techniques, or digs through a stack of canvases at his studio.

His unbridled contempt for the commercial exploitation of artists' work has sharpened with age: "This is not a skilled trade to be practiced for gain. You ought to try and do something much better than that, or I think you're wasting your time."

Hayter was born in London in 1901, the descendant of a long line of artists, including George Hayter, Queen Victoria's official portrait painter. But his family, aware that most artists barely scratch out a living, encouraged him to do something else. He trained as a chemist and geologist at King's College, London, and worked in the Gulf from 1922 to 1925 with the Anglo-Iranian Oil Co. The next year, however, he went to Paris to pursue his first love — painting.

"I wanted to go somewhere where I didn't know a soul," he recalled. That soon changed. Within a month he had met two men who were to be among his "dearest friends" — the painter Balthus and the architect Percy Goodman — and, soon after, Atelier 17 was launched.

"The idea was: I felt that something ought to be done with this job [engraving], and I had a bit of scientific experience that made it easier to deal with the technical questions."

Gravure, in its narrowest sense, is the art produced by cutting lines in a copper plate with a burin. The furrows in the plate are filled with ink, which is transferred under high pressure to the

printing surface of the press. Art experts acknowledge that, before the birth of Atelier 17, many of the potentials of this technique had been forgotten or remained undiscovered.

Hayter and his colleagues revived centuries-old methods and devised new ones, experimenting with acids, tools, textures and inks to produce startling effects. They showed that engraving could be an independent art form, capable of effects that pens and brushes could not achieve, rather than merely a method of reproducing a drawing.

When the workshop's first exhibition opened at the Galerie Pierre in 1934, the group already included such names as Miró, Tanguy and Giacometti. The atelier's name, invented for the show, was taken from the studio's address at the time, 17 Rue Campan-Première. The name stuck, but the atelier had changed location more than 10 times.

In 1934, the poet Larice introduced Hayter to Picasso. Before long, Hayter was carving and sharpening burins for his newest colleague.

Picasso "had never had a sharp engraving tool in his hand," but he used the burin "in a remarkable way," Hayter recalled. "Picasso, you see, was an enormously capable person. And he would make use of any object or person that came to hand, which I think was splendid."

Picasso even tried to talk Hayter into moving Atelier 17 to a large abandoned factory where he was working on several projects, but the printmaker refused. "You'd be completely absorbed in his work, and we don't work for other artists," he explains now.

In 1940, Hayter joined the ardent exodus to New York, where he re-established Atelier 17 in the New School for Social Research. His work there with the exiled Surrealists and U.S. artists would permanently alter the direction of printmaking.

"The thing that was lacking at that time was a place where artists could get together. The nearest thing to it was an Automat on Seventh Avenue used by bums."

His best known technical breakthrough came during that decade, when he and his colleagues invented a process known as "simultaneous color." The technique, which requires just one

roll of the press over the plate to release several hues, eliminated hours of tedious applications and freed the artist to concentrate on creating the plate.

The New York studio's growing popularity led to its downfall. Hayter, who had moved back to Paris five years earlier, ordered it closed in 1955 because it had become too commercial.

"You know what continual pressure there is in America to succeed at all costs. Now, that doesn't make it easy to invent things. The pressure to exploit things, of course, is enormous."

Art Department Heads

Some of the artists drawn to Hayter's Paris workshop in the 1950s and '60s still work with him, including Hector Samper of Argentina, who first arrived in 1951, and Indian-born Krishna Reddy, who heads the printmaking department at New York University and is spending this summer at the atelier. Reddy is one of more than 50 Atelier 17 alumni who head art departments at U.S. universities.

Hayter prefers a mix of nationalities at the workshop, and eagerness rather than experience is often the criterion for admission. Artists from Peru, Colombia, Sweden, the Soviet Union, Mexico and France may be found at the atelier on a typical day, as well as Americans and Japanese, the two largest groups.

He counts the Japanese among his most gifted students: "They've got 2,000 years of uninterrupted graphic development, and we haven't got anything like that. There's just no comparison in skills or sensitivity."

In his own studio, Hayter is at work on a striking series of engravings — fire, trees, Greek warriors — for an edition of love poems by the Surrealist Paul Eluard, and he plans to execute a set of prints for a collection of poems by Archibald MacLeish.

He devotes even more of his time to painting, usually brilliantly colored abstractions whose bold lines evoke a sensation of motion and rhythm. But the center of life for Hayter and his wife, Desirée Morhead, is the atelier.

"At 80, he's still coming here, giving his life to the kids," said his longtime disciple Reddy. "It's easy to lose yourself in a commercial environment; when we come back to him, it's like coming back to ourselves."

Bracing for a Tough SeasonBy Sourou Melikian
International Herald Tribune

PARIS — For the first time since the late 1950s, a French auctioneering group has mailed a fully illustrated catalog of a sale nearly two months ahead of time. On Oct. 5 and 6, the "Arctur library" and the bits and pieces picked up in an explorer's lifetime by Paul-Emile Victor will be sold by the Ader-Picard-Tijan team.

For French auctioneers, who have been lagging behind the British in their sales strategy, this is quite an achievement. Nor is it an isolated effort.

There are other signs that Paris auctioneers are going out of their way as never before to promote

secretary-general, Patrice Ziegler, who runs the show with only 40 employees, has so far made it possible to keep Drozot in the black. But, Ziegler gloomily concedes, should the turnover drop by only 10 percent from last season, "we would be in the red."

All together, price stabilization at a lower level — say possibly 10 to 20 percent below the peak prices of 1980-81 — seems likely for the better objects in traditional categories. The more exotic categories, such as, ancient Middle Eastern art, will go down faster unless dealers make a concerted effort to prevent this — or simply refrain from sending anything for sale. From the buyer's viewpoint, prospects seem good. He should have less to pay and more to choose from — if he has the cash, that is.

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Amsterdam Friday 10th September
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Hamburg Thursday 9th September
Monte Carlo Monday 6th and Tuesday 7th September
Munich Tuesday 7th September
Paris Monday 13th to Friday 16th September
Stockholm Thursday 16th September
Vienna Monday 6th September

European Silver, Gold Boxes and Objects of Vertu, Russian Works of Art and Fabergé
Brussels Tuesday 14th and Wednesday 15th September
Copenhagen (Hotel King Frederik) Monday 30th August
Frankfurt Thursday 2nd September
Geneva Friday 16th September
Hamburg Friday 3rd September
Monte Carlo Thursday 9th and Friday 10th September
Munich Monday 7th September
Paris Tuesday 7th and Wednesday 8th September
Stockholm Tuesday 31st and Wednesday 1st September
Vienna Monday 13th September
Zurich Friday 17th September

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The Pastoral World Of Samuel PalmerBy Max Wykes-Joyce
International Herald Tribune

LONDON — In 1827, at age 22, Samuel Palmer left his native London to live in the village of Shoreham in Kent. Around him gathered a group of young disciples of William Blake who called themselves "The Ancients." They walked in the woods and fields by moonlight and held readings and discussions of poetry, theology and philosophy. And here Palmer created a sequence of pastoral paintings unequalled in the history of Western art. A major loan exhibition of 55 Palmer works from the Ashmolean Museum in Oxford, including some of the best from the Shoreham period, is at Hazlitt, Gooden & Fox.

Palmer was an intense young man, steeped in English poetry, and a prodigy (he sold his first landscape from a group show when he was 14). While still in his teens he met the artist John Linnell — later to be his father-in-law — and, through Linnell, the mystic poet-artist Blake, the greatest influence on Palmer's life and work.

Starting from the premise that

they had made little

against the 1815 peace treaty,

one of the main causes of the Crimean War, Palmer and his

associates, including the

French Foreign Minister, the

Dow Jones Averages

	Open	High	Low	Chg.	P/E	Div.	Yld.	Stock Price
30 Ind.	897.23	914.74	872.54	+27.51	12.5	1.22	1.38	914.74
30 Util.	111.50	112.70	109.70	+2.20	12.5	1.00	1.00	112.70
30 Util.	129.40	130.50	129.20	+1.30	12.5	1.00	1.00	130.50
30 Ind.	340.60	342.24	341.40	+1.20	12.5	1.00	1.00	342.24

Standard & Poors Index

	High	Low	Close	Chg.	P/E	Div.	Yld.	Stock Price
Industries	127.00	126.70	127.00	+0.30	12.5	1.00	1.00	127.00
Utilities	55.50	55.30	55.50	+0.20	12.5	1.00	1.00	55.50
Trans.	10.71	10.50	10.71	+0.20	12.5	1.00	1.00	10.71

Included in the sales figures.

Odd-Lot Trading in N.Y.

Aug. 25: Sales \$1,000,000

Aug. 26: Sales \$1,000,000

Aug. 27: Sales \$1,000,000

Aug. 28: Sales \$1,000,000

Market Summary, Aug. 27**Market Diaries****AMEX Stock Index**

	Close	Prev.	High	Low	Chg.	P/E	Div.	Yld.	Stock Price
Volumes	74,741	10,455	554	545	+1,746	12.5	1.00	1.00	554
Vol. Up	15,723	8,750	1,244	1,244	+1,029	12.5	1.00	1.00	1,244
Vol. Down	33,333	10,575	1,244	1,244	-1,333	12.5	1.00	1.00	1,244
Uptch.	3,333	1,050	1,244	1,244	+1,050	12.5	1.00	1.00	1,244
Downch.	10,101	4	3	3	-10,098	12.5	1.00	1.00	3

Dow Jones Bond Averages

	Close	Prev.	High	Low	Chg.	P/E	Div.	Yld.	Stock Price
Bonds	1,021	1,021	1,021	1,021	+1,021	12.5	1.00	1.00	1,021
Bonds	1,021	1,021	1,021	1,021	+1,021	12.5	1.00	1.00	1,021
Industrials	1,021	1,021	1,021	1,021	+1,021	12.5	1.00	1.00	1,021
Industrials	1,021	1,021	1,021	1,021	+1,021	12.5	1.00	1.00	1,021

Included in the sales figures.

NYSE Index**NYSE Most Actives**

	Sales	Chg.	Chg. %	Prev.	High	Low	Close
Domestic	2,670,000	+1,746	+6.4%	1,746	2,670	2,660	2,670
World	3,470,000	+2,029	+6.0%	2,029	3,470	3,460	3,470
America	1,870,000	+1,050	+5.7%	1,050	1,870	1,860	1,870
Europe	1,600,000	+1,050	+6.7%	1,050	1,600	1,590	1,600
Tokyo	1,200,000	+1,050	+8.9%	1,050	1,200	1,190	1,200
IBM	1,200,000	+1,050	+8.9%	1,050	1,200	1,190	1,200
Philco	1,000,000	+1,050	+10.5%	1,050	1,000	990	1,000
Comstar	1,000,000	+1,050	+10.5%	1,050	1,000	990	1,000
Chrysler	900,000	+1,050	+11.7%	1,050	900	890	900
Int'l. Brkr	800,000	+1,050	+13.1%	1,050	800	790	800
Gulfstream	700,000	+1,050	+15.0%	1,050	700	690	700
Gen. Motors	600,000	+1,050	+17.5%	1,050	600	590	600
Halliburton	500,000	+1,050	+21.0%	1,050	500	490	500

AMEX Most Actives

	Sales	Chg.	Chg. %	Prev.	High	Low	Close
Domestic	2,670,000	+1,746	+6.4%	1,746	2,670	2,660	2,670
World	3,470,000	+2,029	+6.0%	2,029	3,470	3,460	3,470
America	1,870,000	+1,050	+5.7%	1,050	1,870	1,860	1,870
Europe	1,600,000	+1,050	+6.7%	1,050	1,600	1,590	1,600
Tokyo	1,200,000	+1,050	+8.9%	1,050	1,200	1,190	1,200
IBM	1,200,000	+1,050	+8.9%	1,050	1,200	1,190	1,200
Philco	1,000,000	+1,050	+10.5%	1,050	1,000	990	1,000
Comstar	1,000,000	+1,050	+10.5%	1,050	1,000	990	1,000
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NYSE Most Actives

	Sales	Chg.	Chg. %	Prev.	High	Low	Close
Domestic	2,670,000	+1,746	+6.4%	1,746	2,670	2,660	2,670
World	3,470,000	+2,029	+6.0%	2,029	3,470	3,460	3,470
America	1,870,000	+1,050	+5.7%	1,050	1,870	1,860	1,870
Europe	1,600,000	+1,050	+6.7%	1,050	1,600	1,590	1,600
Tokyo	1,200,000	+1,050	+8.9%	1,050	1,200	1,190	1,200
IBM	1,200,000	+1,050	+8.9%	1,050	1,200	1,190	1,200
Philco	1,000,000	+1,050	+10.5%	1,050	1,000	990	1,000
Comstar	1,000,000	+1,050	+10.5%	1,050	1,000	990	1,000
Chrysler	900,000	+1,050	+11.7%	1,050	900	890	900
Int'l. Brkr	800,000	+1,050	+13.1%	1,050	800	790	800
Gulfstream	700,000	+1,050	+15.0%	1,050	700	690	700
Gen. Motors	600,000	+1,050	+17.5%	1,050	600	590	600
Halliburton	500,000	+1					

BUSINESS / FINANCE

SATURDAY-SUNDAY, AUGUST 28-29, 1982

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ECONOMIC SCENE

By LEONARD SILK

Yield Curves Are Turning Up, But the Fed Cannot Lie Down

NEW YORK — It looks increasingly as though the easing of monetary policy by the Federal Reserve and the passage of the tax bill by Congress have come in time to head off the most serious threat to the economy and financial system since the Great Depression.

The risks are not entirely gone. The inability of Mexico to service its \$3 billion of foreign debt is only the latest peril to American and other Western banks. The fall in crude oil prices, which ravaged Mexico, has also hurt U.S. petroleum producers and the financial institutions that have lent so heavily to them.

The glut in the world oil market compounded strains resulting from the struggle of the Fed and other central banks to bring inflation under control.

Strict reliance on slowing the growth of the money supply to check inflation had given the United States the most prolonged and intense siege of high interest rates in its history. A credit crisis threatened to bring down the whole house of cards.

Richard Hooey, chief economist of Bache Halsey Stuart Shields Inc., has observed that there are three aspects of a credit crisis. The rate crunch, when interest rates are pushed to the brink of bankruptcy; the struggle of the Fed and other central banks to bring inflation under control; and the availability of cash.

We had not got to the availability of cash, he notes; but the prolonged interest-rate crunch, Mr. Hooey contends, included the Drysdale affair; the failure of Penn Square, with major losses likely to unguaranteed depositors; the Banco Ambrosiano crisis in Italy; brief runs at solvent banks in Texas and Canada; large loan losses at some major money center banks; the widely publicized debt problems of such companies as Dome Petroleum, International Harvester, and Alfa of Mexico, and the debt crises of Poland, Argentina, Romania and now Mexico.

The Fed's easing of monetary policy and its moves to push down interest rates had all the earmarks of a precautionary move to control the worsening risk which was threatening to feed on itself, jeopardizing the solvency not only of recklessly run companies but also of innocent bystanders.

The main responsibility of a central bank is not to punish the guilty and reward the innocent but to safeguard the entire economic and financial system. Once it recognized the threat to the system, the Fed moved decisively to inject reserves into the banks and drive down interest rates.

That was the fundamental event that has produced the strong rally in the stock market. The ebullience on Wall Street has persisted after the burst of excitement Aug. 17 over the change in Henry Kaufman's forecast from rising to falling interest rates. That suggests it is much more than a knee-jerk reaction to a forecast.

The stock market is, most importantly, a prognosticator of future earnings, and the continued excitement in Wall Street reflects the growing expectation of economic recovery and improved profits in 1983.

The decline in interest rates has favorable implications not only for economic recovery but for a restructuring of corporate balance sheets to improve liquidity, important to the long-run health of business.

William N. Griggs and Leonard J. Sunow, top economists at J. Henry Schroder Bank & Trust Co., note that the yield curve of financial assets of different maturities is now swinging to an upward slope, with short-term interest rates declining well below long-term rates. An upward sloping yield curve, they note, will encourage investors to go long in search of higher rates rather than being rewarded for staying short. Because the prime rate is tied to the movement of short rates, the cost of financing will go down, providing much needed relief to all businesses.

And the return of an upward sloping yield curve will help savings institutions by allowing them to attract savings at costs much closer, or even below, the rates they are earning on mortgages acquired several years ago when mortgage rates were much lower.

The economy is anything but out of the woods yet. The Fed has some tricky problems ahead: it cannot go on indefinitely feeding reserves to the system at a rate that would revive inflation, undermine the Fed's credibility and drive interest rates up again. At the same time, it must stand ready to deal with the remaining financial perils, international and domestic, that are a hangover from the huge debt accumulation and interest-rate squeeze of recent years.

So the Fed will soon have to moderate its infusion of reserves into the banking system while being prepared, at the threat of impending failures of nations or major institutions, to come to the rescue as the lender of last resort.

A hairbreadth rescue of the system may have occurred, but peace and quiet are not yet around the corner.

The New York Times

Manville Action Poses Legal Questions

By Tamar Lewin

New York Times Service

NEW YORK — Manville Corp.'s decision this week to file for protection from its creditors under Chapter 11 of the federal bankruptcy laws was motivated as much by legal considerations as financial ones.

Manville said it was forced to file for bankruptcy to protect itself

NEWS ANALYSIS

from thousands of legal claims by workers suffering from asbestos-related health problems.

The company took pains to say it was an otherwise viable corporation with no plans to cut back its operations.

It is a peculiar kind of bankruptcy, and one which raises a number of novel legal questions.

The act of filing a bankruptcy petition automatically stays all further proceedings in the 16,500 pending lawsuits against Manville, and puts off the 32,000 new asbestos suits Manville is forecasting.

More important, under the bankruptcy code passed in 1978, the bankruptcy court has the power to deal with all the potential liabilities Manville faces, whether or not the amount of the damages has been established.

Stephen Case, a New York lawyer who is representing Manville in the Chapter 11 proceeding, said, "Under the new code, we have the opportunity to address all the future claims at one time and treat them all fairly."

This would not have been possible under the old code, which didn't allow for the resolution of contingent liabilities of no specified amount."

Asbestos has for many years been the United States' number-one product-liability problem and is a problem that shows no signs of going away.

Most lawyers who represent asbestos victims, however, think the bankruptcy courts are the wrong place to resolve that problem.

Robert Sweeney, a Cleveland lawyer who represents some 300 asbestos victims said, "I just don't think a company can walk into bankruptcy court with more than \$2 billion of assets and hundreds of millions of dollars worth of insurance coverage, and say, 'Your honor, please excuse me from these claims.'

Italy Seeking Controls Over Vatican Finances

By John Tagliabue

New York Times Service

ROME — The forced liquidation of Banco Ambrosiano, the biggest bank collapse in Italy since World War II, has embarrassed the government and the central bank. But they have at least gained from it a useful weapon in continuing efforts to exercise tighter control over the Vatican's financial affairs, long a sore point.

Since the failure of Ambrosiano earlier this month, following the default of its Luxembourg subsidiary on \$400 million in loans, Italy has stepped up its negotiations with the Vatican.

The aim is twofold, according to officials of the Treasury Ministry and Banca d'Italia: to urge the Vatican to improve surveillance of its broad financial activities, particularly those of the Vatican's bank, and to accept greater cooperation with Italian banking authorities. The banking community here appears to be lending support to the Italian authorities.

A Sensitive Subject

The director of the Vatican bank is Archbishop Paul C. Marcinkus of Cicero, Ill. He has taken the unusual step of denying any impropriety in the Vatican's relationship with Banco Ambrosiano. The highest-ranking lay official is Luigi Meninni, who is under investigation by the Italian authorities because of the bank's earlier dealings with Michele Sindona, the Italian financier now in jail in New York.

The case has also led to an unusual interview by Cardinal Agostino Casaroli, the Vatican's secretary of state, who has defended the role of the Vatican bank in its dealings with Ambrosiano.

The independence of the Vatican as an autonomous city-state within Italy was established in 1929 by the Lateran Treaty. Making changes, however limited, in the concordat that regulates much of the church's activity in Italy is a sensitive subject.

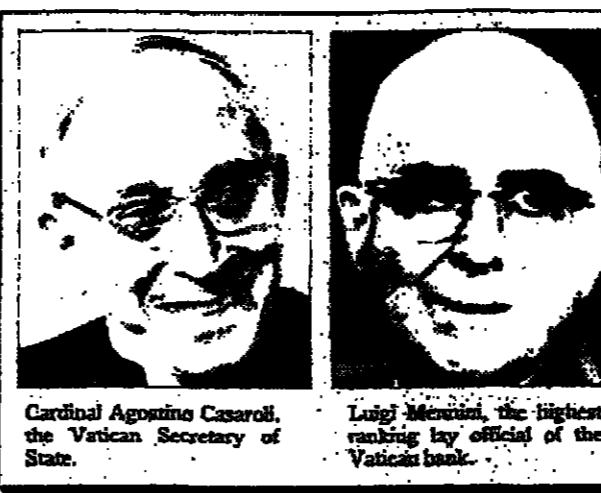
But, commented a senior official of Banca d'Italia recently, "the time has come for more clarity." He said that the two sides were "not close to any final decisions" but that the Vatican bank, Istituto per le Opere di Religione, was "operating as a foreign bank not located in Italy" and that there would have to be "direct separation of the two activities."

The main focus of Italy's concern is the export of capital. As a senior executive at one Milan bank put it, the central bank's efforts are an attempt to close a large loophole that is evidently used to export capital.

Despite severe criticism of the central bank's handling of the Ambrosiano tangle from bankers in several other European countries, foreign bankers here generally give the Italian authorities high marks.

"The central bank can be terribly bureaucratic, but it has good control," commented a senior banker in Milan. Given the sensitivity of the issue, bankers would not be quoted by name.

Though many details remain unclear, one proposal by Italy has



Cardinal Agostino Casaroli, the Vatican Secretary of State. Luigi Meninni, the highest ranking lay official of the Vatican bank.

Source: Associated Press

been to subject the Vatican's banking operations to reporting requirements and, at least in part, to Italian bank regulation. This would involve the creation of two institutions, one under Italian regulation for the Vatican's lira business, and a second offshore bank, with appropriate controls, for its foreign currency dealings. There are no currency controls now between Italy and the Vatican.

Following charges that the Vatican bore some responsibility for Banco Ambrosiano's losses, Pope John Paul II ordered an unprecedented investigation of Vatican financial dealings by a three-member team of Roman Catholic lay bankers.

The Italian officials disclosed that their talks with Vatican representatives have included that team made up of Philippe de Wech, 71, former head of Switzerland's Union Bank; Joseph Brennan, 72, former chairman of the Emigrant Savings Bank in New York, and Carlo Ciruti, 69, the head of Italy's government holding company for telecommunications.

Neither side has disclosed details of the talks, and Treasury Minister Beniamino Andreatta indicated in a recent interview that he did not expect an early conclusion. This, he said, would be a "drawn-out affair."

Second Major Scandal

The liquidation of Banco Ambrosiano is the second major financial scandal to envelop the Vatican bank in eight years — the first involved Mr. Sindona — and the case, according to sources here, has lent urgency to what officials said was a long-term goal of expanding the concordat into a full-fledged economic and financial convention with the Vatican.

The officials said Italy planned to present the Vatican with a list of grievances, ranging from reported involvement of the Vatican bank

(Continued on Page 9, Col. 7)

Wall Street Prices Decline Sharply; Dow Off 9 Points

Gold Price Falls

\$15 in New York

Compiled by Our Staff From Dispatches

NEW YORK — Share prices closed sharply lower Friday, although a small rally in late trading offset the losses.

Investors were taking profits on the stunning gains of the past two weeks and showing concern over signs that the decline in U.S. interest rates is ending, analysts said.

"The market is taking a breather right now," said Harvey Deutsch, an analyst at Purcell Graham. "It's really not much of a pullback and you should see some buying emerge on the weakness."

The Dow Jones industrial average ended with a decline of 8.94 points to 883.47 after being down about 12 points an hour before the close. From Aug. 12, when the market hit its low for the year, through Thursday, when it reached its 1982 high, the industrial average rolled up a gain of 115.49 points.

On Friday, however, declines declined by around two to one. Volume totaled about 75 million shares. Though such volume normally would be considered very heavy, it was considerably below Thursday's record turnover of 137.3 million shares and was the lowest since Aug. 16, the day before the market exploded into a rally.

Total volume for the week did set a record, however, swelling to some 550 million shares. The previous record was set last week, when 455.14 million shares changed hands. Turnover exceeded 100 million shares every day this week except Friday.

Part of Friday's decline was traced to disappointment that the Federal Reserve cut its discount rate by only half a point late Thursday. Some analysts had been counting on a reduction of a full point in the central bank's rate for loans to commercial banks.

Analysts said the Fed's action was seen as a move to bring the rate in line with other market rates rather than an effort to bring interest rates down further. Concerns that interest rates may have leveled off received further support Friday afternoon when Henry Kaufman, the chief economist at Salomon Brothers, whose cheerier prediction of Aug. 17 helped ignite the rally, projected that the federal funds rate may not decline further in the near term.

The funds rate, the fee banks charge one another on overnight loans, was trading at around 9% percent late Friday.

In Friday's forecast, Mr. Kaufman did not alter his forecast for further declines in interest rates over the next 12 months.

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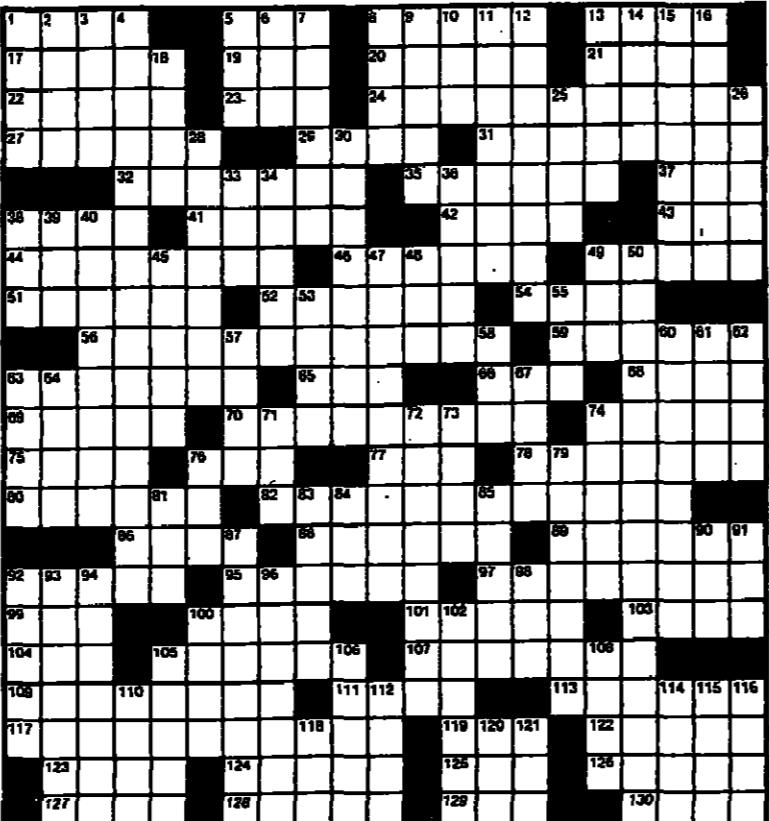
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CROSSWORD PUZZLE

Transport Tie-Up By Jim Page



DOWN

1 Darter
2 Mont Blanc,
3 He has his pride
4 Maneuvers
5 Grounded jets
6 Ex-Brun great
8 Paper
9 Cather's "Lady"
10 "I Love York"
11 Aloof
12 Auto language
13 Byron heroine
14 European
15 A general in 178

DOWN

16 non grata
17 Textile worker
18 Old man:
19 Maneuvered
20 Grounded
21 Ex-Brun great
22 Paper
23 Cather's "Lady"
24 "I Love York"
25 Aloof
26 Auto language
27 Byron heroine
28 European
29 A general in 178

DOWN

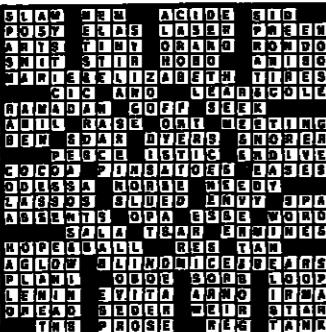
30 Gets Hawks
31 Musical symbol
32 Most lamblike
33 Queen Elizabeth's sis
34 Fixes
35 Writer Lafcadio
36 P.O. category
37 Pay follower
38 Holiday's pal
39 Freshwater
40 An SST
41 Sheep or swine
42 A-U-connection
43 Part of N.A.

DOWN

76 Negg locale:
77 Textile worker
78 Laps, perhaps
79 Old man:
80 Queen Elizabeth's sis
81 Morse-code signal
82 Rows
83 Lat. epic
84 Seven: Comb.
85 Fixes
86 Maid or cook
87 Holiday's pal
88 Pie mode
89 CBS is one
90 Hopes' companions
91 Vitamin C source
92 Least obuse
93 Hilt and Pacino
94 Charm or poise

DOWN

Solution to Last Week's Puzzle



WEATHER

	HIGH	LOW	HIGH	LOW
ALGARVE	C	F	Fair	Cloudy
ALGIERS	21	24	Overcast	Cloudy
AMSTERDAM	14	17	12	Cloudy
ANKARA	21	25	14	Shower
ATHENS	22	25	14	Fair
AUSTRALIA	24	25	14	Overcast
BANGKOK	24	25	14	N.L.
BEIRUT	26	32	11	Cloudy
BELGRADE	21	25	14	Cloudy
BERLIN	21	25	14	Cloudy
BOSTON	22	25	14	Cloudy
BRUSSELS	22	25	14	Cloudy
BUCHAREST	22	25	14	Fair
BUDAPEST	27	31	14	Fair
Buenos Aires	24	25	14	Cloudy
CAIRO	24	25	14	Cloudy
CAPE TOWN	24	25	14	Fair
CASABLANCA	23	25	14	Fair
CHICAGO	24	25	14	Cloudy
COPENHAGEN	17	21	11	Cloudy
COSTA DEL SOL	22	24	14	Cloudy
DAMASCUS	31	34	17	Fair
DUBLIN	14	21	7	Cloudy
EDINBURGH	17	21	14	Cloudy
FLORENCE	20	24	14	Cloudy
FRANKFURT	26	28	14	Cloudy
GENEVA	18	24	15	Showers
HANOVER	17	21	14	Fair
Helsinki	15	21	11	Cloudy
HONG KONG	22	24	14	Cloudy
HOUSTON	34	37	23	Fair
ISTANBUL	26	29	19	Cloudy
JERUSALEM	25	27	21	Cloudy
LIMA	19	24	14	Overcast
LISBON	25	27	15	Fair
LONDON	18	24	16	Cloudy

Readings from the previous 24 hours.

BOOKS

ITALIAN JOURNEY (1786-1788)

By Johann Wolfgang von Goethe. Translated from the German with an introduction by W.H. Auden and Elizabeth Mayer. 507 pp. \$15.50. North Point Press, 850 Talbot Ave., Berkeley, Calif. 94706.

Reviewed by John Leonard

AT THE age of 37, Goethe experienced what today we would trivialize as a "midlife crisis." He was already, in W.H. Auden's phrase, "an international tourist attraction" as a consequence of "The Sorrows of Young Werther." He had, almost by accident, spent 11 years in Weimar as a minister of state, inspecting the mines, superintending irrigation projects and seeing to it that the army had new uniforms. Suddenly, without the permission of his many friends, he went south on what was supposed to be a holiday and stayed away for two years. When he returned, he was no longer a politician.

"Italian Journey," is an interweaving of his letters and journal entries as a "fugitive from the north" who found himself "observing and breathing more freely under a blue welkin." It is direct, good-humored, opinionated and engaging in every respect. This is Goethe the likable rather than the genuine. If I have a bone to pick, it is that there must be something wrong with a man who spends a period of two years in Italy of which only three hours are devoted to Florence.

Away With Folly

But Goethe wasn't much interested in the Middle Ages or even the Renaissance. In Verona, he didn't bother to visit Juliet's tomb. In Venice, he had almost nothing to say about San Marco or the Doge's palace. All he seems to have seen in Assisi was the Temple of Minerva. He was hurrying to Rome, away from "Gothic follies" — "Our saints squatting on their stone brackets and piled one above the other in the Gothic style of decoration, or our pillars which look like tobacco pipes, our spiky little towers and our cast-iron flowers" — toward classical antiquity and balance. He sought the clear line and the sensuous feeling, and he found himself:

"In Rome I have found myself for the first time. For the first time I have been in harmony with myself, happy and reasonable." By the time we read these sentences, on page 482, we are prepared to believe him. He has been suspected, in northern Italy, of being an Austrian spy. He has faced arrest by the cranky tyrant of Messina for having failed to appear at dinner. He has loved and lost a blue-eyed young woman from Milan. He has climbed Vesuvius, sailed between Scylla and Charybdis, snatched "a noon nap on the papal throne," in the Sistine Chapel, given away a pine tree and tried without success to make a model of the human foot.

All this in his spare time. He is otherwise engaged in learning to draw, revising four of his unpublished plays, collecting chips of cooled lava and botanical samples, reading coins, posing for portraits and busts, studying comparative anatomy, discussing etymology and arguing the relative merits of Raphael and Michelangelo. He invents a system to tell time in late September from the ringing of bells in Verona, dreams up sanitation regulations for the "Beaver Republic" of Venice and identifies, perhaps a trifle vainly, with Ulysses.

His approach is sometimes hilariously taxonomic. Thus, in a marvelous account of Naples, he seeks to dispel the illusion that most people don't work by classifying all the workers according to category — porters, carriage drivers, sailors and chermen, beggars, garbage collectors, peddlars, errand boys — and attaching a little essay to each category. In an equally marvelous account of the Roman Carnival, to which he is unsympathetic, he does the same thing. The Corso, climate and clerical dress, the signal for complete license, masks, confetti and so on.

We ride with him on horseback, with a barrel of wine. We almost

find him on the rocks in a sun-tossed sea off Capri. We listen as he struggles to grasp "how Italians decimal their iambic hexasyllables." His visit to Sicily, with an artist friend to do the sketches in those days before Polaroid, is wonderful, and his essay on "Filippo Neri, the Humorous Saint" will charm the caps off your teeth. In Rome — where, for someone who wanted to remain anonymous, went to an amazing number of dinner parties and theatrical productions — he was known as "the rare marmoset," and one understands why.

Barad Adjectives

This is not to say that Homer doesn't nod. Auden in his introduction points out Goethe's overreliance on "vague and banal" adjectives to express his emotional reactions, citing "beautiful," "important," and "valuable." I would add "superb," "immaculate" and "overwhelming." Here is one entry in its entirety:

In the evening I climbed to the Column of Trajan. Seen from that height and at sunset, the Colosseum, with the Capitol close by, the Palatine and the city all around, it was a superb sight. It was getting late when I walked home slowly through the streets. The Piazza di Monte Cavallo with its obelisk is a remarkable work.

Not exactly thrilling. But this more or less unbuttoned Goethe wins our hearts, whether he is explaining why the organ is such a disagreeable instrument ("It does not blend with the human voice and it is much too loud") or ordering a plaster cast of Raphael's skull (with its obelisk) to contemplate on its entry to Germany.

Goethe thinks that Goethe found sex in Rome, although not perhaps as much as Byron found in Venice. No matter. How lucky for him that he was rich enough to spend two years on a working vacation. How lucky for us that he wrote about it, before the French Revolution changed his world and ours.

John Leonard is on the staff of The New York Times.

Chinese Say Device Invented to Speed The Aging of Wine

United Press International

PEKING — If what the Chinese say is true, then to such immortal winemaking names as Lafite, Latour and Margaux should be added the Qiqihar No. 5 Radio Factory in remote Heilongjiang province.

Technicians at the factory claim to have invented a process that speeds the aging process of wine. The English-language China Daily newspaper said the process accomplished in 12 minutes what eight years of bottle aging does for a good red wine.

"Wine storage creates problems," the China Daily observed. "First, there is a delay in marketing and thus in capital turnover. Second, there is the necessity for large warehouses and air-tight containers."

The Qiqihar No. 5 Radio Factory used a combination of a high-frequency radio wave, an ultrasonic sound wave and an ultraviolet light wave to drive out the unpleasant flavors produced by tannins in new wines, the newspaper said. It said the process has been tested at two dozen wineries across China with "good results."

The China Daily said one of the aging devices costs \$10,000 to \$15,000 and is suitable for a medium-size winery. It did not say what types of wines were tested. China's grape wine is mostly heavy and sweet.

I GUESS ALL I REALLY WANT CHARLES IS FOR YOU TO TELL ME THAT YOU'RE NOT MAD AT ME...

OH, YEAH? WELL, WHO CARES ABOUT YOUR STUPID BALL GAME?!

CHARLES? CHARLES? WHERE DID YOU GO?

MAYBE I WAS WRONG. MAYBE I'M NOT SO FOND OF HIM AFTER ALL!

B. C. TWENTY YEARS ON THE TOUR AND YOU'VE NEVER MADE THE CUT?

THAT'S TRUE... BUT THERE ARE MORE THINGS IN LIFE THAN GOLF!

WHAT IF YOU FAIL TO QUALIFY TOMORROW?

I'LL HAVE MY 2 IRON REFORDED INTO A HARI-KARI KNIFE

B. C. IF YOU QUIT TAKING NAPS YOU'D HAVE TIME TO FIX THE KITCHEN SINK

I'M NOT GOING TO QUIT TAKING NAPS

WHY NOT?

BECAUSE THEN I'D HAVE TIME TO FIX THE SINK

B. C. HEY, COOKIE! DON'T PUT YOUR WHOLE ARM IN THE FOOD!

WHEEE!

THAT CIGARETTE I DROPPED IN THERE HAD A FEW GOOD PUFFS LEFT IN IT.

ABOUT TIME — I'VE BEEN SITTIN' HERE FOR FIVE SOLID MINUTES!

ANDY CAPP

REX MORGAN

DOONESBURY

DENNIS THE MENACE

YOU DON'T HAVE TO LIE, BETSY! JUST TELL THE TRUTH! OUR LAWYER WILL ASK YOU IF YOU WERE ALONE IN MORGAN'S OFFICE WITH HIM! DID MORGAN TAKE YOU TO DINNER?

DID MORGAN DRIVE YOU UP TO THE FRONT OF YOUR APARTMENT BUILDING — AND WHEN THE SECURITY MAN WALKED UP TO THE CAR, WERE YOU IN TEARS?

YOU DON'T HAVE TO LIE. THE ANSWER IS A VERY TRUTHFUL YES TO EACH QUESTION!

I—I SUPPOSE YOU'RE RIGHT.

WHAT DO YOU MEAN I CAN'T GO TO MY ROOM? IT'S MY ROOM!

NO, SIR. IT TOOK A DIRECT HIT ON THE CEILING. IT COULD HAVE BEEN TO THE LEAVES OR SIR, AMONGS ARE TOO FOLLY THESE DAYS.

WELL, IT WASN'T SOMEBODY ELSE'S FAULT. I DON'T THINK SO, SIR. IT WAS AN ACCIDENT.

AND YOU TOLD HIM?

NO, SIR. IT TOOK A DIRECT HIT ON THE CEILING. IT COULD HAVE BEEN TO THE LEAVES OR SIR, AMONGS ARE TOO FOLLY THESE DAYS.

WELL, IT WASN'T SOMEBODY ELSE'S FAULT. I DON'T THINK SO, SIR. IT WAS AN ACCIDENT.

AND YOU TOLD HIM?

YOU GUYS ARE ALL LEAVING ANYWAY. WE HAVE TO DO BUSINESS WITH THESE PEOPLE.

SIFOT

TYLFO

LIFEED

PETICK

Answer here: ○○○○○

(Answers Monday)

Yesterday's Jumbles: HOVEL PROXY GOBLET DAWNED

Answer: What good soup might do— "BOWL" YOU OVER

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مكتبة الفصل

ASK FOR IT EVERY DAY.
EVERWHERE YOU GO.

International Herald Tribune
We've got news for you.

ART BUCHWALD**Nude Beachhead**

WASHINGTON — A bunch of us were sitting around a lobster pot on South Succotash Island, talking about what they had done to the Russian diplomats in Glen Cove, Long Island. It seems the good people of Glen Cove decided to ban the Communists from the tennis courts, the golf courses and the beaches.



In retaliation the Kremlin made Russian tennis courts, golf courses and beaches off limits to U.S. diplomats. The question was raised: Were the people of South Succotash Island willing to support the citizens of Glen Cove in putting the screws on the Russians?

David Stern said, "We owe it to the people of Long Island. If a Soviet diplomat calls any of us and wants a tennis game, we tell him, 'Not until you get out of Afghanistan.'"

"I don't play tennis," said George Stevens.

"You're a golfer. Don't tell off with any Russians."

"I don't know any Russians who play golf," he protested.

"Find one and refuse to play with him," Hawke said. "You owe it to Poland."

Danny Brustein, a big Winston Churchill fan, said, "We can fight them on the tennis courts and we can fight them on the golf courses, but we can't fight them on the beaches!"

This was a good question because, for one thing, there aren't that many public beaches on South Succotash Island, and people who

FBI Recovers a Renoir Stolen in '81 in Florida

The Associated Press

BOSTON — A Renoir oil painting that was stolen from an art gallery in Palm Beach, Fla., early last year has been seized by the FBI, agents say. The painting, titled "Paysage, Effet de Neige," was valued at \$200,000.

The Renoir was recovered after it was offered as collateral earlier this year for a \$20,000 loan at a suburban bank near here, an FBI spokesman said Thursday.

own private ones spend all their time keeping the rest of us off their sand. For another, while it's easy to spot a Soviet diplomat when he's on a tennis court (he always wears a hammer and sickle on his shirt) or on a golf course (he flies a Soviet flag on his golf cart), it's hard to spot one on a beach in a bathing suit.

It's even tougher to spot one on the nude beach where most of us who don't own private footage are forced to go.

Styron suggested that we put up a large sign, "No Nude Bathing Permitted Unless You Believe in God."

"I don't trust the Russians," said Rappaport. "If they don't honor the Helsinki accords, why would they honor a 'no bathing' sign?"

"He's right," said Payette. "It's unenforceable. I couldn't tell a naked Soviet diplomat from a member of the Moral Majority."

* * *

"There is a way," said Fain Hackney. "A Soviet diplomat is always given up painting pictures 15 years ago and has turned to more cosmic approaches to art, such as burying haikus, chaining trees and hunting about for intelligible explanations of what she's doing."

At the southern end of Manhattan, she sought a contrast and God knows, found it.

"After 300 years of the buildings intruding on the fields, the fields are intruding on the fields," she said. She managed a \$10,000 grant from Public Art Fund, a private foundation endowed by a lover of civic art, which goes in for things like murals on warehouse walls. Many truckloads of topsoil were hauled to the plot and spread two inches deep.

The land was so poor that not even weeds seemed to grow on it, and the winds from the west are ferocious.

Hundreds and Hundreds of Hours

"There were wheat fields here in the 17th century, but more to the east, and at Murray Hill, we dug the 235 furrows by hand."

Denes and volunteers and a few paid laborers — and planted the hard red wheat last May. It took forever, hundreds and hundreds of hours.

"Woman-hours," said a gallant man giving credit where credit was due.

"Man-hours," she said, confessing that men did most of the work. (Ha.)

But back to the lofty plan. "The idea of a wheat field is quite simple: What creation and life is all about. But we tend to forget the basic processes."

Farmers don't. Of course, they have better land and either get better yields than Denes or else go broke and move to New York, the great haven for folk who wonder what the hell to do now.

Denes had planted six bushels and estimated the harvest at 40, not quite up to the Biblical hundredfold, but this is a naughty world. In the event, she harvested 10 bushels.

American Cyanamid, a corporation whose

* * *

Thompson suggested, "Let's get off a cable to the Soviet Embassy in Washington."

"Just when you thought it was safe to go back in the water, we've decided you can't swim at our beach."

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Amber Waves at the Battery**The Latest in Civic Art — A Wheat Field in Manhattan**

By Henry Mitchell
Washington Post Service

NEW YORK — You may wonder what Manhattan will look like when the last corporation has moved away and the island is once more covered with grass: the answer is, it will look just fine.

The sun was setting on an acre and a half of wheat at the base of the World Trade Center. All that part down there, called Battery City, is filled land, sand and rubble, and soon it will flower with office buildings and similar stuff, but at the moment it was a wheat field, and there, like Ruth amid the alien corn, was Agnes Denes, her hair red as the sunset.

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"There is a way," said Fain Hackney. "A Soviet diplomat is always given up painting pictures 15 years ago and has turned to more cosmic approaches to art, such as burying haikus, chaining trees and hunting about for intelligible explanations of what she's doing."

At the southern end of Manhattan, she sought a contrast and God knows, found it.

"After 300 years of the buildings intruding on the fields, the fields are intruding on the fields," she said. She managed a \$10,000 grant from Public Art Fund, a private foundation endowed by a lover of civic art, which goes in for things like murals on warehouse walls. Many truckloads of topsoil were hauled to the plot and spread two inches deep.

The land was so poor that not even weeds seemed to grow on it, and the winds from the west are ferocious.

Hundreds and Hundreds of Hours

"There were wheat fields here in the 17th century, but more to the east, and at Murray Hill, we dug the 235 furrows by hand."

Denes and volunteers and a few paid laborers — and planted the hard red wheat last May. It took forever, hundreds and hundreds of hours.

"Woman-hours," said a gallant man giving credit where credit was due.

"Man-hours," she said, confessing that men did most of the work. (Ha.)

But back to the lofty plan. "The idea of a wheat field is quite simple: What creation and life is all about. But we tend to forget the basic processes."

To go against the grain, do the impossible, grow the wheat field on this island, can call our attention to priorities — to realize that, unless human values are reassessed, even life may be in danger. The field can represent all that this land stood for and I hope still does."

The light faded, the few humans began to leave. The wheat at the edge reached only to mid-calf, but sheltered in the center of the field it was waist high.

heart is clearly in the right place in this project, provided a combine for most of the harvest.

"I didn't want anybody to get hurt," said Denes, when asked why all the sheaves were not brought in by hand, and come to think of it, a bunch of New Yorkers swinging sharp scythes would probably not pass any safety laws.

Denes marched, virtually danced, behind the little combine, and that bending figure over yonder was Bob Franzel, a city boy, who with a few others was harvesting a bit by hand. He will be able to say to his grandson: "Eh, back in '82 when I was young I harvested wheat by hand right here in south Manhattan. The world is different now." And the lad can dream of the simple uncomplicated older times when a man got an honest sweat from honest labor in New York.

Liberation of Club Soda

There was a celebration the day before harvest. The weather was rarely glorious, the sky overcast, the clouds and the sun distinctly Egyptian in its benign strength. A steady breeze (the wind that bothers the wheat as it grows) ruffled the hair and open collar of the handful who showed up. One fellow poured a small libation of club soda on the field.

It was merry and solemn at once. A numinous air prevailed. One felt that one should sacrifice an editor, as the ancients sacrificed beloved creatures for fruitful fields, but none was near; only a couple of writers and cameramen trailing their usual umbrellas of cable.

Bob Newman, a Washington artist who moved to New York because that's where it's at, regarded the slanting light with approving eye and deplored the art scene of Washington. So little support to artists. Things go better on the Hudson Streets are safer up here, too, he thinks.

Denes had done a lot of thinking before she started the field, and is thinking now what to do with the grain — maybe send it to Cambodia, or make bread with it for the Manhattan poor, or maybe sell it to the highest bidder at the stock exchange. At least she thought it up, made it grow and got it harvested.

"Manhattan is probably the richest, most congested, most professional and fascinating island in the world. To grow wheat on it, seemingly such a waste of precious space, can create a powerful paradox. Or an anxious calling to account.

To go against the grain, do the impossible, grow the wheat field on this island, can call our attention to priorities — to realize that, unless human values are reassessed, even life may be in danger. The field can represent all that this land stood for and I hope still does."

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Daniel P. Hickey, The Washington Post
Agnes Denes, going against the grain.

PEOPLE**New Poetry Star**

A first collection of poems by the young granddaughter of an English fisherman has startled poetry authorities into claiming she may be another William Shakespeare. "She is the biggest thing since Shakespeare," said John Newton, director of English studies at Cambridge University's Clare College. "The position of poetry in England has been completely transformed overnight." "Bloody hell," replied Sue Lenier, 24, to the adulation. "It's all bit overwhelming," Lenier's first collection of poems, "Swansong," was published in April by Cambridge's Oeleander Press. Ever since, there's been a flurry of publicity — unheard of for unknown poets — including a BBC interview. Newton, Lenier's tutor, says her immense range, depth and tendency to be both profound and prolific underscore the talent of a genius. But one critic said all the publicity is rather a source of "amusement." "My first impression is she is not quite in the same league as Shakespeare," frowned Alan Jenkins, poetry editor of the Times Literary Supplement.

In Inverness, Scotland, Peter Charles, touring a salmon gracing factory there, was told by Mrs. Maire Wang, 21, a packing worker that she has no family yet. "Take it from me, it's an expensive business," said Charles, who married Lady Diana Spencer in July last year and became a father two months ago. Later, when two factory girls told the prince they were still unmarried, he told them: "Just, stay single for a while."

In Memphis, Tenn., two friends of Elvis Presley filed a \$40-million suit Thursday against Albert Goldman, People magazine and McGraw-Hill Book Co., which published Goldman's controversial book about Presley. The suit, filed in federal court on behalf of George Klein, a disc jockey and Jerry Schilling, an artist manager, friends of the late rock 'n' roll star, says the biography is a "hilarious review of the life and death of Elvis Presley" and calls Goldman "a literary vulture picking clean the bones of a defenseless dead man." The suit charged the Jan. 18, 1982, issue of People published an interview with Goldman that made Klein and Schilling appear "totally unfamiliar with the business of the late Elvis Presley" and "stupid." The book, "Elvis," published in 1981, describes alleged drug use and offshore sexual habits supposedly practiced by the late singer.

White House Press Secretary James Brady is in a hospital and probably will remain there through the weekend, although in good condition, suffering from a mild respiratory congestion, a George

White, the son of actress Elizabeth Taylor, was married to the daughter of actor Jack Palance in a small private ceremony. For family and friends, Taylor's publicist said today, Michael Whiting Jr., 29, and Brooke Palmer, 30, were married Thursday night at the First Congregational Church in Westwood, Calif. A small reception was held after the ceremony at the home of Anna Strisberg, widow of acting teacher Lee Strasberg. Miss Sam said both bride and groom attended the Strasberg acting school. The wedding is the first for Miss Palmer. Whiting was married once before and has two children. Michael Whiting was Taylor's second husband. He died in 1979.

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